

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: North Dakota

Citation	Condition or Requirement
1906 of the Act	State Method on Cost Effectiveness of Employer-Based Group Health Plans
1.	If a health plan is premium free, the plan is considered cost-effective without further review. Premium free health plans are considered cost-effective because any amount the plan pays is a cost savings. These plans must be reviewed further whenever there is a change that would require the individual to pay part of the premium. All other cost-sharing obligations for premium free health plans are covered by Medicaid for eligible recipients.
2.	For all other health plans determine whether the health status or medical needs of the covered individuals are expected to continue or if there are any anticipated changes. (a) If an individual's health condition is not expected to change, calculate the total dollar amount of claims the health plan has paid for the covered individuals over a certain period of time. The period of time is normally for the previous 12 months and the amounts paid are only for services also covered by Medicaid. Adjustments are made for any limits in the plan that may affect future payments. (b) If an individual's health condition is expected to change, or if it is a new plan, calculate the amount the health plan is likely to pay for covered services over a certain period of time.
3.	The amount determined above is multiplied by the appropriate national insurance payment fraction. This will determine the amount Medicaid would likely pay for the same services.
4.	This amount is then compared to what the premium, the co-insurance and the deductible would cost for the same number of months plus an administrative cost of \$50 per individual, but not more \$150 per family.
5.	If the amount the health plan pays (#2 above) is at least \$5 per month more than the amount of cost sharing and administrative costs (#3 above), the health plan is considered cost-effective.

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